

Congress of the United States
Washington, DC 20515

September 24, 2003

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FEDERAL MARITIME COMMISSION

Bryant L. VanBrakle
Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573

RE: Petition P3-03

Dear Commissioners:

It is our understanding that the United Parcel Service (UPS) has filed for an exemption from the prohibition on Non-Vessel Operating Common Carriers (NVOCCs) entering into confidential contracts with their customers. We write in strong support of the UPS petition currently pending before the Federal Maritime Commission.

During consideration of the *Ocean Shipping Reform Act* (OSRA) revisions of 1998, Congress carefully considered all aspects of the ocean shipping industry including the role of NVOCCs. Based on the nature of ocean shipping at the time, Congress determined that NVOCCs should be regulated differently than vessel operators. In the late 1990s, most NVOCCs were small enterprises that neither owned ocean vessels nor the cargo being shipped. In order to protect shippers and to guarantee liability coverage, Congress determined that NVOCCs should operate under a published tariff system when dealing with their customers.

However, the state of the U.S ocean shipping industry has changed dramatically since passage of OSRA. There has been unprecedented consolidation among ocean carriers resulting in the loss of major U.S. flagged carriers. In an effort to offer customers a full range of services, these very same carriers have created vertically integrated logistics companies that now compete with NVOCCs.

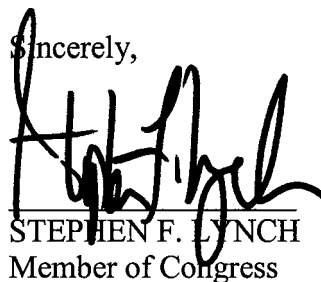
The UPS petition, citing the recent evolution of the ocean-shipping marketplace, is precisely the reason Congress granted such broad exemption authority to the Federal Maritime Commission. By granting this petition, the FMC will acknowledge these changes, level the playing field between NVOCCs and vessel operators, and ultimately benefit ocean shipping consumers around the world.

We are hopeful that the Commission will give the UPS petition its utmost consideration and render an equitable decision based upon the merits of the UPS case.

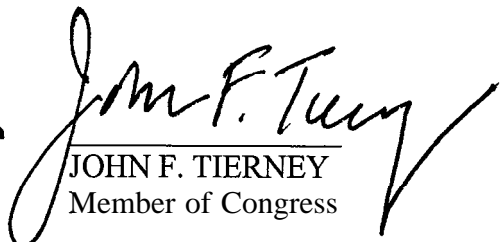
Sincerely,



WILLIAM D. DELAHUNT
Member of Congress



STEPHEN F. LYNCH
Member of Congress



JOHN F. TIERNEY
Member of Congress